

## **FISCAL NOTE**

### **SB 297 - HB 821**

April 2, 2007

**SUMMARY OF BILL:** Creates a prescription drug monitoring program to be maintain by the Board of Pharmacy and the Tennessee Bureau of Investigation (TBI)

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$1,513,400 Recurring  
\$1,256,900 One-Time  
\$200,000 FY09-10  
\$39,600 / Incarceration\***

#### Assumptions:

- The Board of Pharmacy will require an additional position which is estimated to increase recurring state expenditures by \$59,400 for salary and benefits (\$50,500), administrative support services (\$7,900), communications (\$400), office lease (\$2,200) and supplies (\$600). There will be a one-time increase in expenditures of \$5,600 for office set-up and a computer.
- It is estimated that the creation of a new database will result in a one-time increase in state expenditures of \$650,000 with an additional increase of \$200,000 for database maintenance every two years. There will also be a one-time increase of \$5,000 for computer programming expenses.
- Prescription pads cost \$2 for 100 sheets. There are approximately 27 million prescriptions per year in the state. It is estimated that the Board will incur a recurring increase in expenditures of \$540,000 to provide prescription pads as outlined in the bill ( $(27,000,000 \div 100) \times 2$ ).
- TBI will need nine special agents and one law enforcement information coordinator. The 10 additional positions are estimated to increase recurring state expenditures by \$914,000 which includes salaries and benefits (\$615,000), travel (\$27,700), printing (\$2,800), utilities (\$100), communications (\$8,900), vehicles (\$55,600), supplies (\$52,200), rentals and insurance (\$115,000), communication and technology support (\$36,700).
- There will be \$596,300 in one-time expenditures which includes professional services (\$3,900), supplies (\$335,900), grants (\$18,100),

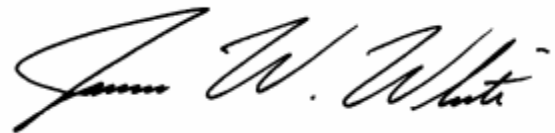
equipment (\$200,000), and communications and technology support (\$38,400).

- Two Class E felonies each year with 0.3 years time served (109.58 days). The annualized time served per conviction is 219.16 days (2 annual number of convictions x 109.58 days served). According to the Department of Correction, the average operating cost per inmate per day for calendar year 2007 is \$60.16. The annualized cost per conviction is \$13,184.67 (2 x 109.58 days x \$60.16). No significant incarceration cost increase will occur due to population growth in this period.
- Two Class D felonies each year with 0.6 years time served (219.15 days). The annualized time served per conviction is 438.3 days (2 annual number of convictions x 219.15 days served). According to the Department of Correction, the average operating cost per inmate per day for calendar year 2007 is \$60.16. The annualized cost per conviction is \$26,368.13 (2 x 219.15 days x \$60.16). No significant incarceration cost increase will occur due to population growth in this period.

\* Tennessee Code Annotated, Section 9-4-210, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director